

ALASKA STATE SENATE

Senator Tom Begich
Senate Minority Leader
(907) 465-3704
Capitol Room 11



Senator Cathy Giessel
Senate President
(907) 465-4843
Capitol Room 111

April 11, 2019

The Honorable Adam Crum
Commissioner-Designee, Department of Health & Social Services
3601 C Street, Suite 902
Anchorage, Alaska 99503

Dear Commissioner Crum:

We write regarding the April 11 notification from the Department of Health & Social Services that 4,731 Senior Benefits recipients, who currently receive \$76 per month, will not receive their payments in May and June due to "insufficient funding." Whatever the cause of the shortfall, 4,731 seniors may face insufficient funds for groceries, medications, transportation, rent and more. This is unacceptable.

While comparing the difference between tiers, funding and recipients in the Department's notification and the Fiscal Note of HB 236 (2018), it appears the Senior Benefits Program is short-funded at least partially due to issuing payments at \$76 a month rather than \$66 as reflected in the Fiscal Note. In addition, an *Anchorage Daily News* article dated April 11 reports the shortfall is due to the Department catching up on the backlog of applications. The ADN reported a roughly \$800,000 shortfall.

We request the Department to respond immediately to the following questions:

1. Please confirm exactly why this shortfall occurred, the exact amount, and when the department became aware of the shortfall.
2. How many applications were backlogged and for how long? Please provide a list of how many of these backlogged applications are at each income tier.
3. On page 16 of HB 286 of 2018, the FY19 Budget, the bill says the Commissioner has the discretion to transfer up to \$20 million between appropriations, except for Medicaid. Have these funds already been exhausted? We understand the department does not typically transfer the money until the end of the fiscal year. Can the department transfer these funds immediately to reduce any delay in payments? If the Department has already exhausted the \$20 million discretionary transfer funds, please report what the Department funded.
4. Please provide a list of Undesignated General Fund appropriations with excess balances that may be transferred to cover the shortfall for Senior Benefits recipients.

The FY2019 operating budget includes intent language to fully fund the Senior Benefits program. As the appropriating body, we will ensure this is honored by any means necessary and wish to work with the Department to do so.

There are mechanisms in place to ensure these Alaskans who helped build our state are not without the resources they need to survive on a fixed income. We respectfully request an immediate response and attention to this matter to reduce delay in payments.

Sincerely,



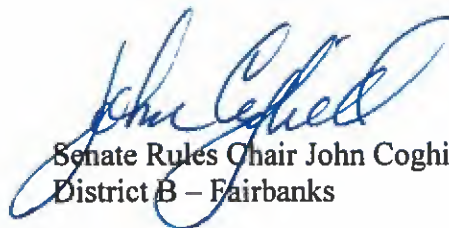
Senate President Cathy Giessel
District N – Anchorage



Senate Minority Leader Tom Begich
District J – Anchorage



Senator Scott Kawasaki
District A – Fairbanks



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District B – Fairbanks



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